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**INTERNAL SERVICES DEPARTMENT**

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*"To enrich lives through effective and caring service"*

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April 11, 2012

To: Supervisor Zev Yaroslavsky, Chair  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: Tom Tindall  
Director

Subject: **ENERGY UPGRADE CALIFORNIA – LOS ANGELES COUNTY  
STATUS REPORT (RESPONSE TO ITEM 15, AGENDA OF MARCH 6,  
2012)**

On March 6, 2012, your Board, on motion of Supervisor Yaroslavsky, instructed the Chief Executive Office (CEO) and the Director of the Internal Services Department (ISD) to:

1. Maintain data, which shall be updated as often as feasible but no less than once per month, showing the number of participants within each component subprogram of Energy Upgrade California – Los Angeles County (EUCLA), including data showing the number of participants who have, within each subprogram: (a) applied for participation in each of the respective sub-programs, (b) received approval of their application, (c) begun physical improvements of their home / commercial location (where applicable), (d) completed physical improvements (where applicable), and (e) received rebate checks or otherwise successfully finished their participation in the program;
2. Establish goals for the number of total participants over the life of the program for EUCLA overall and within each subprogram;
3. Establish benchmarks by month for EUCLA overall and within each subprogram by which the progress of the total program and each subprogram shall be measured;

Each Supervisor  
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4. Maintain a narrative description, which shall be made available to the Board of Supervisors no less than once per month, of the steps taken to improve performance of EUCLA overall and for any subprogram in any month in which the benchmarks established in #3 are not met for EUCLA overall and for each subprogram, potentially including, as the CEO and Director of ISD deem appropriate, a reallocation of resources from underperforming subprograms to subprograms that are meeting or exceeding benchmarks.

This memorandum provides the second status report on the EUCLA program, updated through March 2012. An initial status report, including descriptions of each EUCLA subprogram, projected results for each, results and progress through the month of February 2012, and narrative of activities to improve program performance was submitted to your Board on March 21, 2012.

In accordance with your Board's instructions, Attachment I provides the following:

- Graphics and narrative illustrating the number of applications received, applications approved, projects completed and incentive checks issued for the Advanced/Basic/FlexPath subprograms.
- Additional graphics and narrative for the subprograms showing total participant goals and monthly benchmarks to measure progress of each.
- A monthly narrative description of EUCLA program changes. The narrative identifies lessons learned and program revisions to increase program participation and/or reallocate resources.

ISD continues to work closely with grantor agencies, the energy contractor community, finance professionals, and the project team to design initiatives to increase program participation. EUCLA will continue to adapt as the energy efficiency market develops.

If you have any questions, please contact me at 323-267-2101, or Howard Choy at 323-267-2006.

TT:JJ:HC:TW

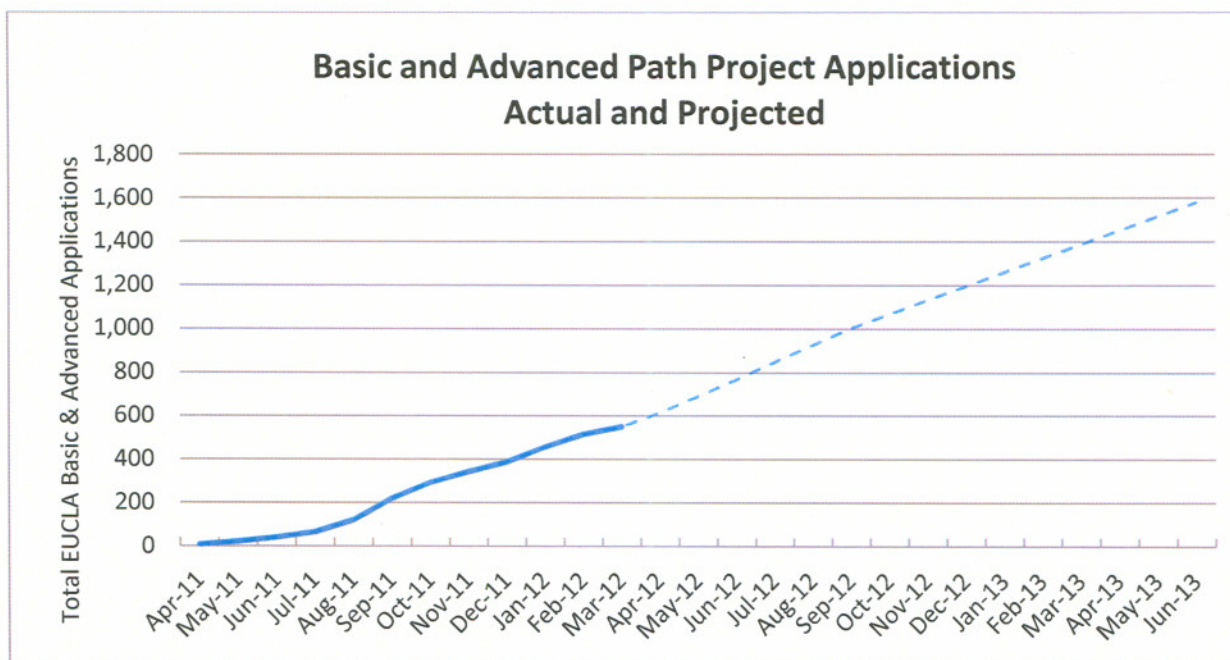
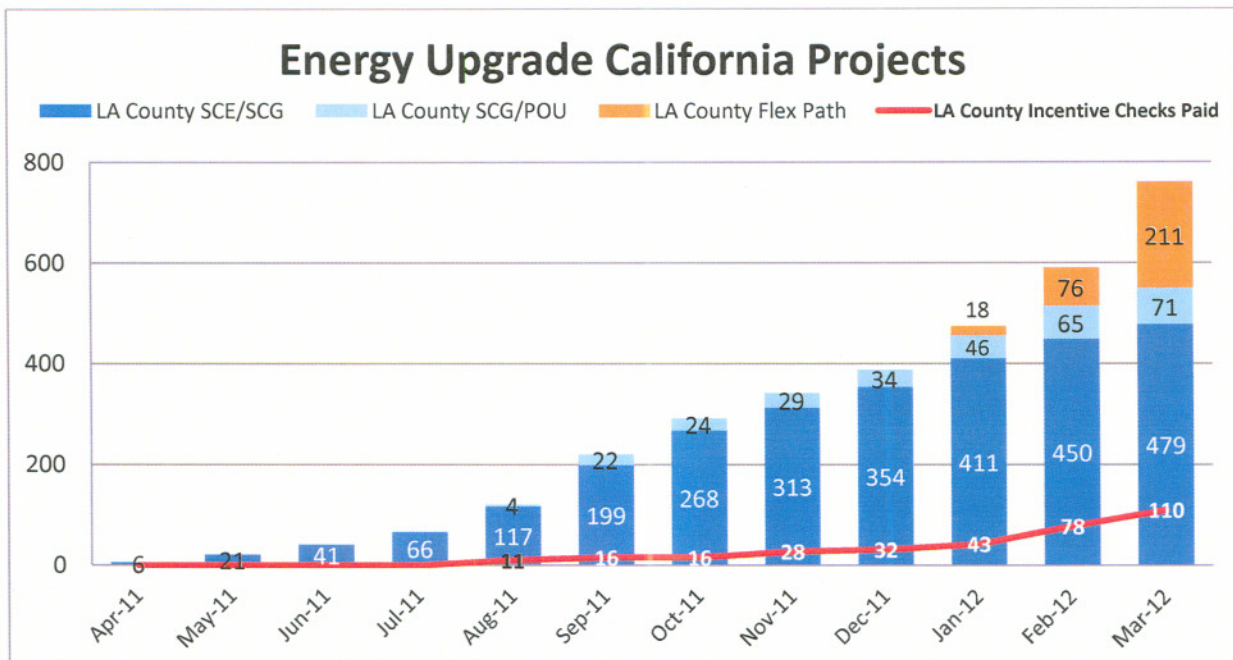
Attachment

c: ISD Board Deputies  
Chief Executive Officer  
Executive Officer, Board of Supervisors  
Deputy CEO



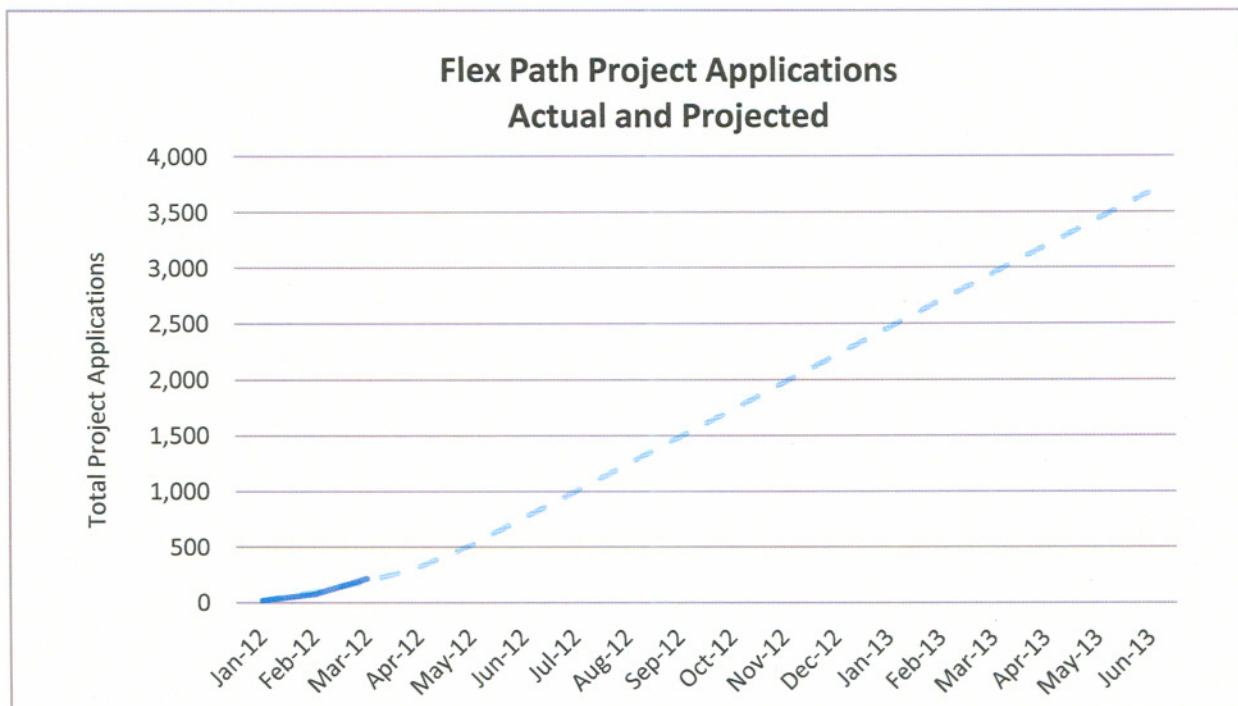
### Monthly EUCLA Graphics/Narrative – Through April 1, 2012

Following are status charts for the Energy Upgrade California in Los Angeles County (EUCLA) program and its subprograms. Also included is a Major Activities narrative summarizing significant program accomplishments, and a Lessons Learned section identifying program issues, and corrective actions taken.

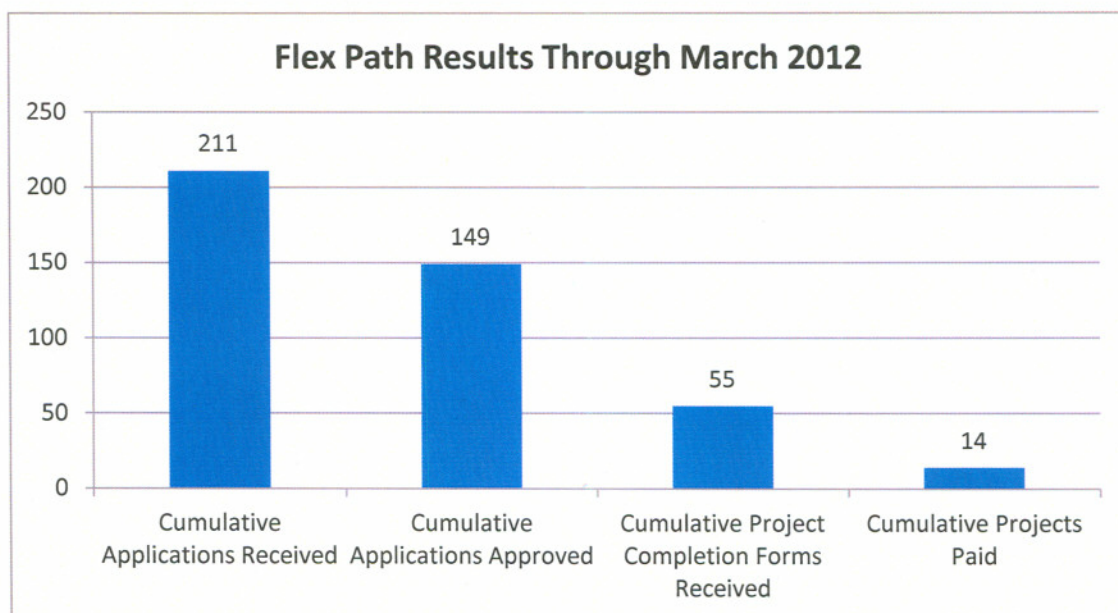


THIS IS A COMBINED TOTAL OF ALL BASIC AND ADVANCED PATH PROJECT APPLICATIONS THAT WERE SUBMITTED UNDER THE SCE/SCG PROGRAM (NOT INCL. FLEXPATH). THE ACTUAL APPLICATIONS FOR MARCH WERE SLIGHTLY BELOW PROJECTIONS. WE WILL CONTINUE TO MONITOR FOR SIGNIFICANT TRENDS.

## Monthly EUCLA Graphics/Narrative – Through April 1, 2012



THIS SHOWS THE TOTAL OF ALL FLEXPATH PROJECT APPLICATIONS SUBMITTED AS OF END OF MARCH, WHICH EXCEEDED PROJECTIONS BY OVER 40 APPLICATIONS.

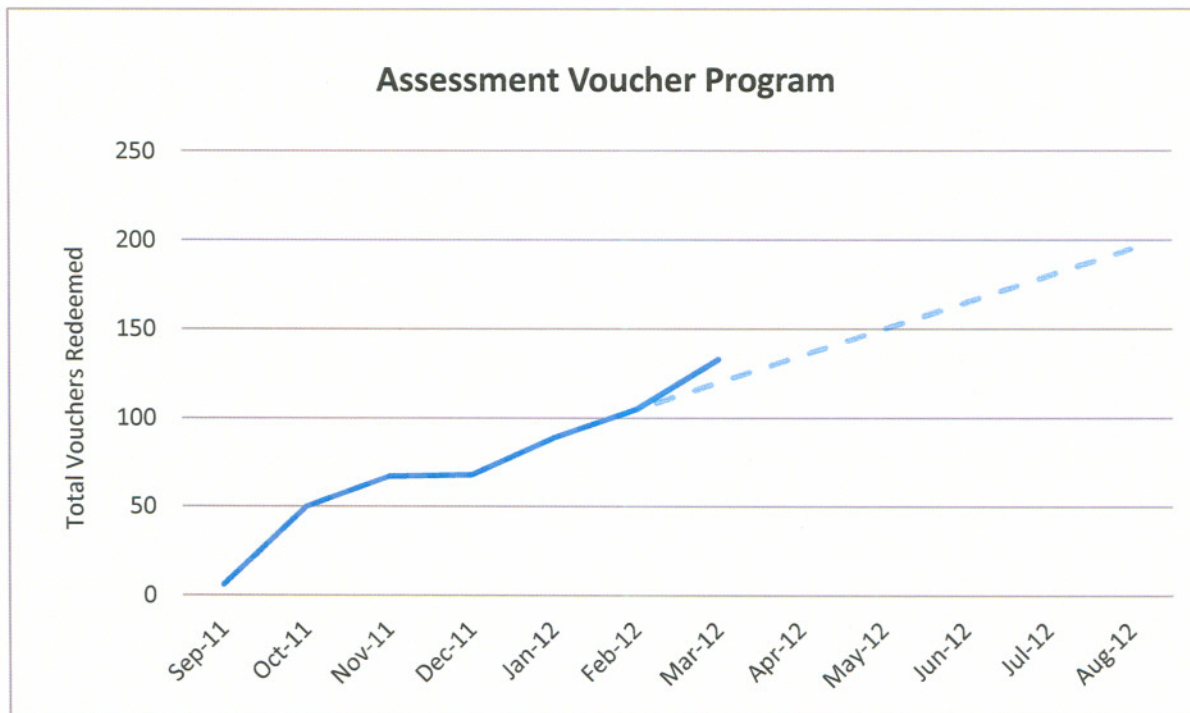




## Monthly EUCLA Graphics/Narrative – Through April 1, 2012

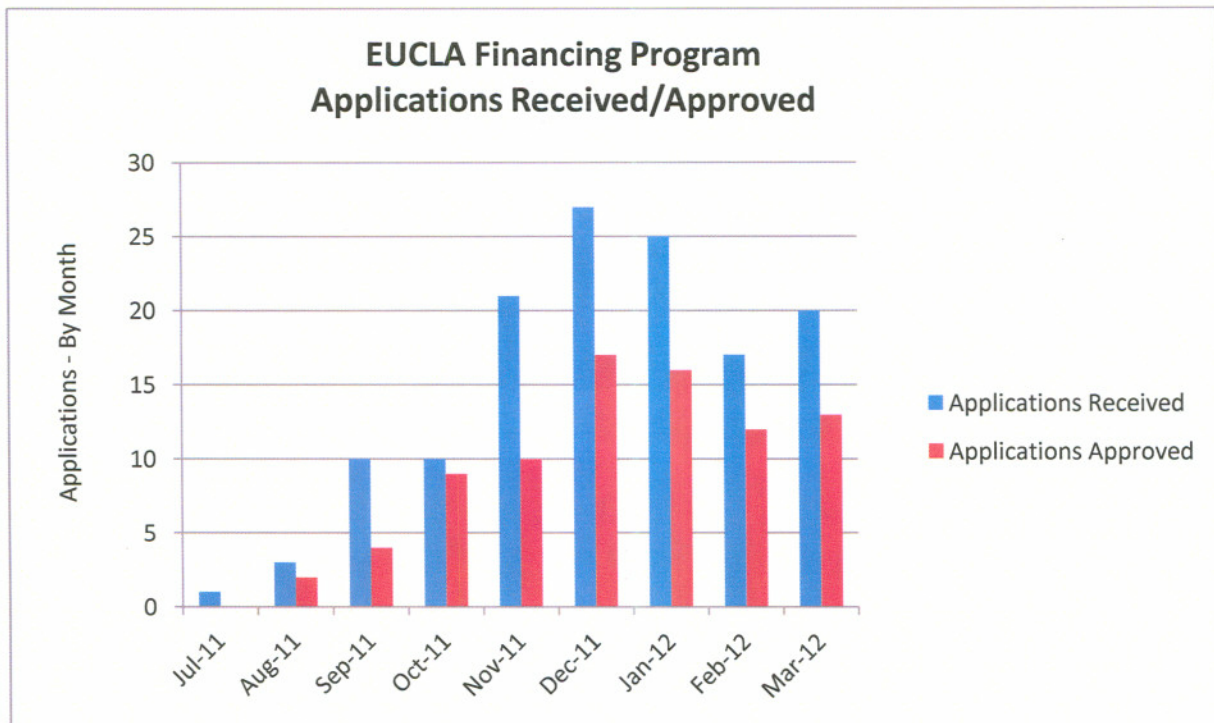
Breakdown of Upgrade Projects and Cost/Savings				
Project Breakdown LA County	Number of Projects	Average Savings	Average Cost	Average Rebate (Utility + LA County)
Advanced - 68% of Projects	519	26%	\$13,629	\$4,980
Basic - 3% of Projects	23	10%	\$4,397	\$2,000
Flex - 29%	216	16.7%	\$3,774	\$1,500**

\*\*This incentive is paid by LA County only. Some Utility single measure rebates may be added.

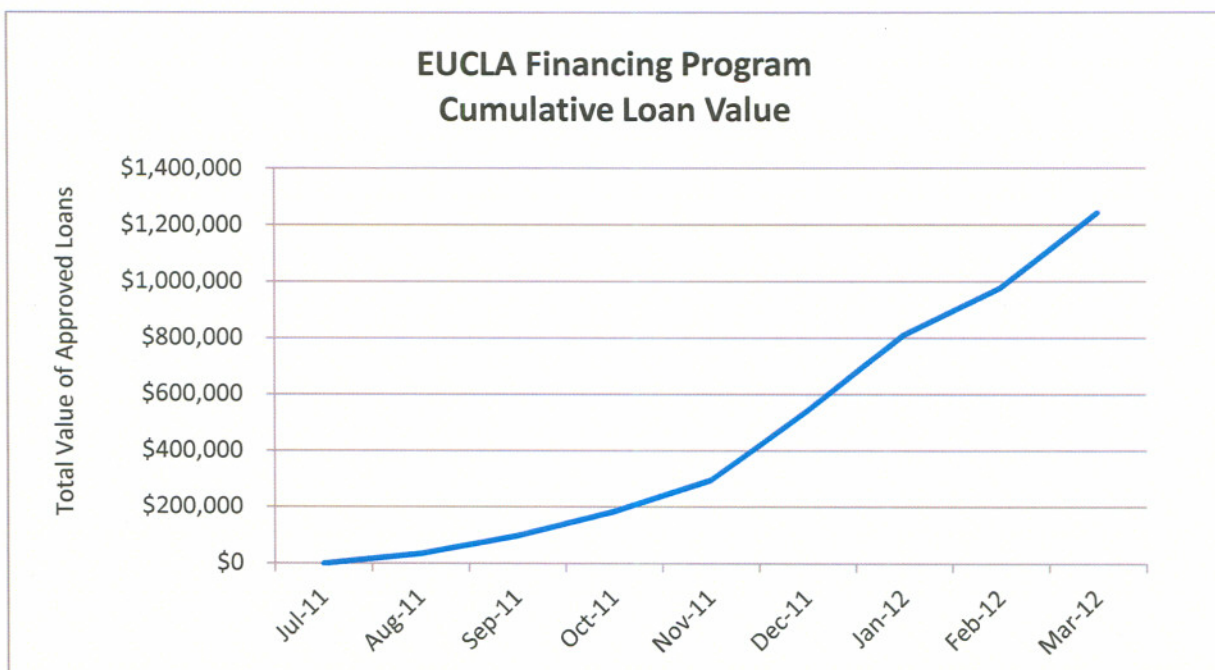


ASSESSMENT VOUCHERS REDEEMED BY HOMEOWNERS DURING THE MONTH OF MARCH WERE DOUBLE THE PROJECTED AMOUNT. CUMULATIVELY, 16% OF EUCLA HOMEOWNERS HAVE UTILIZED THE ASSESSMENT VOUCHERS.

## Monthly EUCLA Graphics/Narrative – Through April 1, 2012

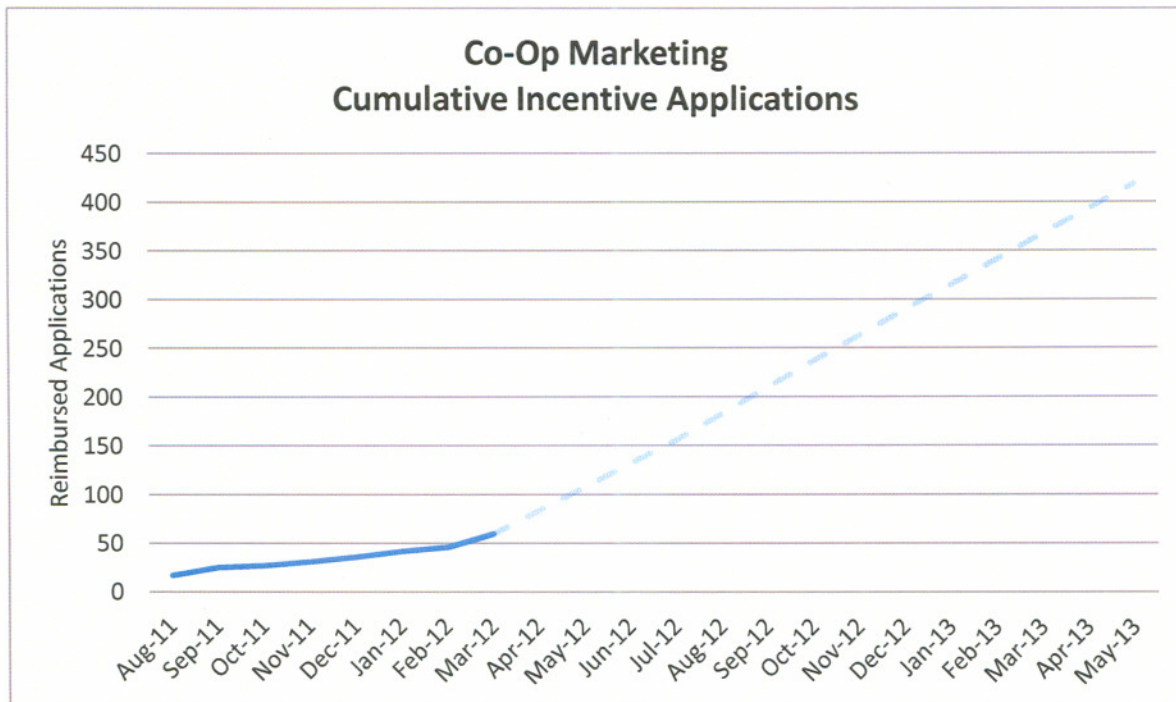


THERE HAS BEEN A STRONG PERFORMANCE IN LOAN APPLICATIONS WITH THE IMPLEMENTATION OF BOTH THE 2% INTEREST RATE PROGRAM AND THE FLEXPATH PROGRAM.

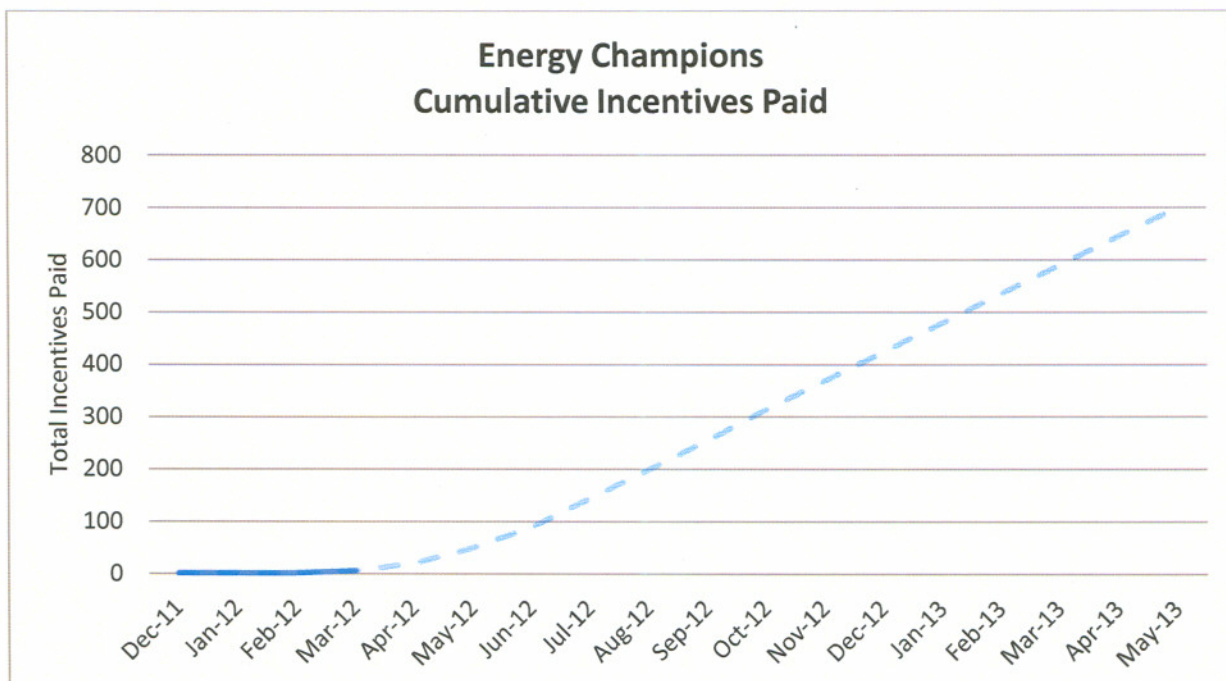




## Monthly EUCLA Graphics/Narrative – Through April 1, 2012



CO-OP MARKETING HAS SHOWN A STEADY INCREASE IN CONTRACTOR INTEREST AND USE OF THE PROGRAM.



ENERGY CHAMPIONS HAS SEEN A SLOW START, BUT RECENT INCREASES IN APPLICATIONS SHOULD BE REFLECTED HERE IN COMING MONTHS AS THE INCENTIVES ARE PAID OUT.

## Monthly EUCLA Graphics/Narrative – Through April 1, 2012

### Major activities for March 2012

1. County and utility incentives are provided to homeowners that complete EUCLA projects in either the Basic, or Advanced Path subprograms. During March 2012, an additional 3 Basic and 32 Advanced project applications were submitted, 39 projects were verified complete, and 35 County incentives were paid.
2. FlexPath was introduced in mid-January 2012, and the County has received 211 total FlexPath project applications as of March 31, 2012. Of the 211 total applications submitted, 149 have been approved to proceed, 55 projects have been completed, and 14 incentives have been paid by the County.
3. The 2% Energy Loan product was launched in December 2011 to boost financing program response, and has been generating increasing participation since that time. During March 2012, 21 applications were received, for a total of 135 since the financing program began in July 2011. Of the 135 applications, 82 have been approved, 14 during March 2012. The average loan amount has gradually increased to \$14,627. This indicates that homeowners are investing in deeper, more comprehensive energy efficiency retrofits. In fact, when isolated to March 2012 alone, the average loan applied for was \$18,928.
4. In March 2012, the Energy Champions program saw its largest number of verified projects to date for one month at 7, and also paid out 4 incentives to participants.
5. The Multifamily program reached a significant milestone in March 2012 by paying out the first project Assessment Incentive of \$10,000. This incentive payment represents a building with more than 50 units, where the scope of work has been approved and permits pulled to perform the work. When the work has been completed and final documentation submitted and reviewed, the project will be eligible for the additional Improvement Incentive based on the actual energy savings realized.
6. The HVAC Contractor Incentives Pilot was scheduled to kick off in March 2012, but has experienced delays. Additional negotiation is required with the third party vendor contracted to review HVAC contractor's project data and calculations. Once agreement is reached on project data review requirements, then the contractor training webinars can be held, and the program launched. These activities are expected to complete during the month of April, allowing the program to launch in early May 2012.

### Lessons learned and actions taken to improve results

- Based on the success of our FlexPath program, COS will likely be increasing the incentive budget for the FlexPath program while reducing budget for Basic and Advanced incentives.
- Additional CEC grant funding approved by your Board on March 6, 2012, will be used to supplement our Loan Loss Reserve and Interest Rate Buy-Down programs, based on recent program success.